



qurate
RETAIL, INC.

Curated Experiences.
Infinite Possibilities.®

Q3 2021
Earnings Presentation

Safe Harbor and Non-GAAP Measures

This presentation includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about business strategies; expectations regarding consumer trends and other matters that are not historical facts. These forward-looking statements involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, the impact of the COVID-19 pandemic on our businesses, possible changes in market acceptance of new products or services, competitive issues, regulatory matters affecting our businesses, continued access to capital on terms acceptable to Qurate Retail, Inc. (“QRI”) and QVC, Inc. (“QVC”), availability of investment opportunities and market conditions conducive to stock repurchases. These forward-looking statements speak only as of the date of this presentation, and each of QRI and QVC expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in QRI’s or QVC’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Please refer to the publicly filed documents of QRI and QVC, including their most recent Forms 10-Q and 10-K, for additional information about QRI and QVC and about the risks and uncertainties related to their respective businesses which may affect the statements made in this presentation.

This presentation includes non-GAAP financial measures including adjusted OIBDA, adjusted OIBDA margin, free cash flow, and constant currency. Information regarding the comparable GAAP metrics, along with required definitions and reconciliations, can be found in this presentation or in the earnings press release issued November 4, 2021, as well as earnings press releases relating to prior periods, all of which are available on our website. This presentation is designed to be read in conjunction with the November 4, 2021 earnings press release, which is available on our website.

This presentation includes reference to free cash flow, which is a non-GAAP financial measure for QRI. QRI defines free cash flow as cash flows from operating activities less capital expenditures, expenditures for television distribution rights, investments in green energy and dividends paid to non-controlling interests. QRI believes free cash flow is an important indicator of the financial stability of our business. QRI believes cash flows from operating activities is the most directly comparable GAAP measures. Free cash flow is not meant to replace or supersede this GAAP measure, but rather to supplement such GAAP measures in order to present investors with a supplemental metric of financial performance. Please see the reconciliation of free cash flow to cash flows from operating activities calculated in accordance with GAAP for QRI on slide 12 of this presentation.

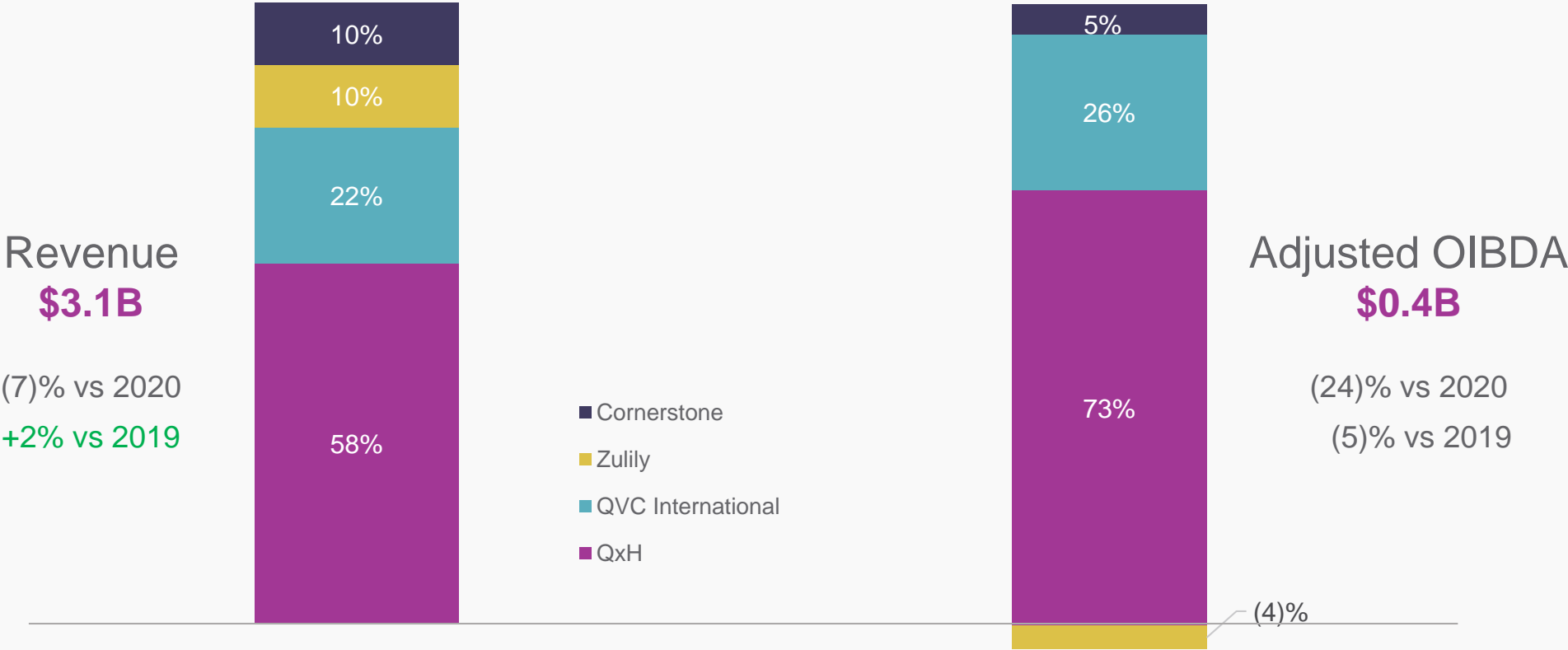
Key Points

- **David Rawlinson became CEO on Oct. 1, 2021 after a two-month transition period beginning Aug. 2, 2021**
- **Results reflect continued macro industry supply chain constraints and cost inflation**
- **Operating highlights**
 - Took pricing actions that resulted in higher average selling prices at all business units
 - Average spend and unit volume per customer at QxH increased 6% and 4%, respectively
 - Strength in apparel at QxH, QVC International and at Cornerstone's Garnet Hill
- **Repurchased 10.9 million shares for \$120 million from Aug. 1, 2021 through Oct. 31, 2021**
- **Board of Directors declared a special cash dividend of \$1.25 per share of common stock**

Revenue & Adjusted OIBDA

Business Segment Contribution

Q3 2021



Revenue
\$3.1B

(7)% vs 2020
+2% vs 2019

Adjusted OIBDA
\$0.4B

(24)% vs 2020
(5)% vs 2019

\$2.0B eCommerce Revenue | 63% of Revenue

(6)% vs 2020 | +8% vs 2019

Note: Percentages within the stacked bars exclude intersegment eliminations and unallocated corporate costs.

Revenue & Adjusted OIBDA

Year-on-Year Quarterly Comparative

	REVENUE								
	2020					2021			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	
QxH	(4)%	7%	7%	1%	3%	8%	(1)%	(8)%	
QVC International	(1)%	11%	11%	16%	10%	22%	11%	(3)%	
QVC International ^A	0%	12%	8%	10%	8%	15%	5%	(4)%	
Zulily	(20)%	16%	10%	11%	4%	19%	(6)%	(17)%	
Cornerstone	(5)%	18%	26%	30%	19%	41%	18%	7%	
Total Qurate Retail	(5)%	10%	10%	7%	5%	14%	2%	(7)%	
Total Qurate Retail ^A	(5)%	10%	9%	6%	5%	13%	1%	(7)%	

	ADJUSTED OIBDA								
	2020					2021			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	
QxH	(17)%	(2)%	10%	10%	1%	19%	1%	(14)%	
QVC International	(4)%	12%	25%	22%	14%	47%	21%	(13)%	
QVC International ^A	(3)%	13%	21%	16%	12%	38%	16%	(14)%	
Zulily	(88)%	543%	238%	(44)%	73%	200%	(80)%	NM	
Cornerstone	(167)%	50%	775%	233%	185%	1,450%	148%	(31)%	
Total Qurate Retail	(17)%	10%	24%	14%	8%	35%	3%	(24)%	
Total Qurate Retail ^A	(16)%	10%	23%	13%	8%	32%	2%	(24)%	



QxH Category Performance

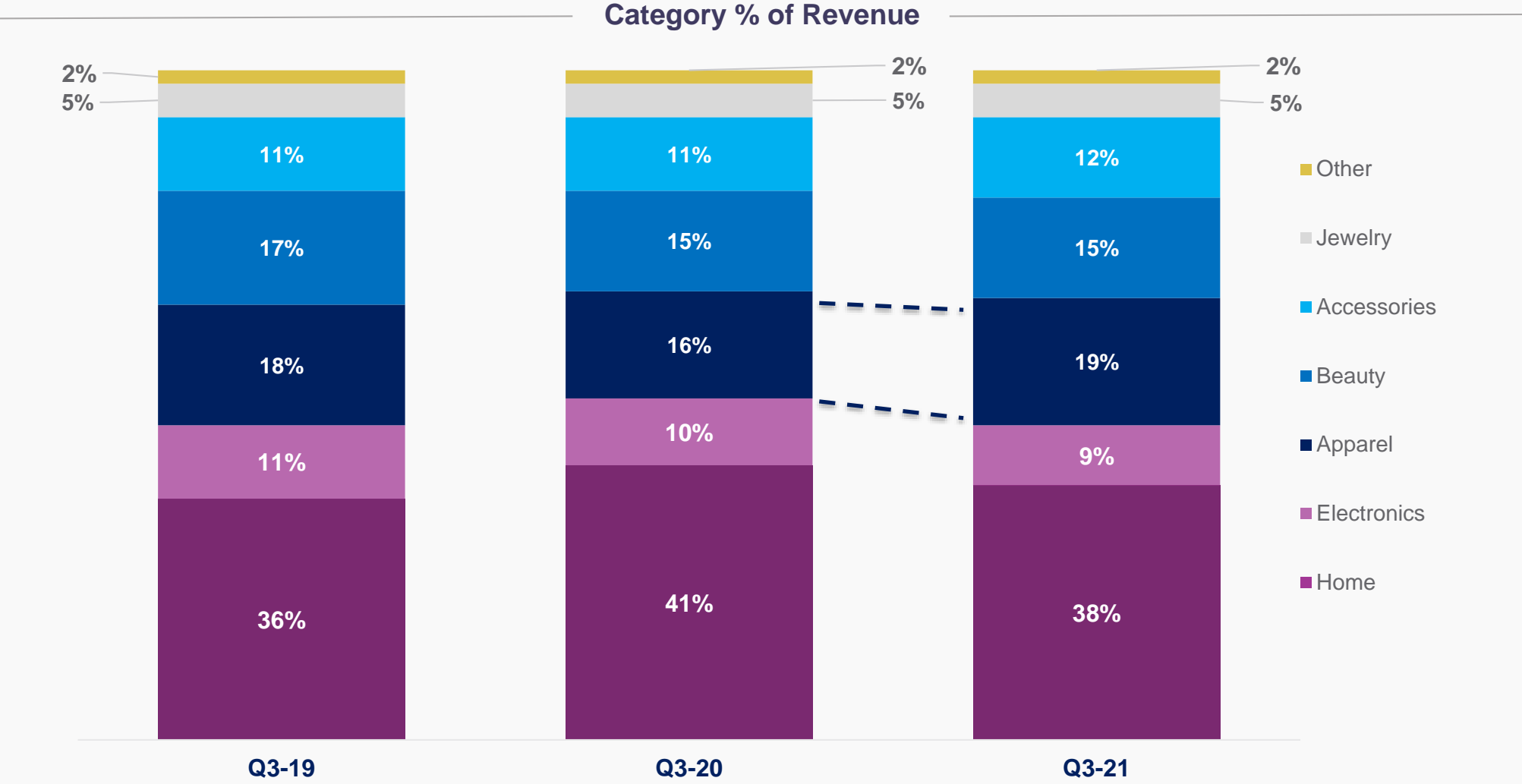
Prior-Year Comparative

	2020					2021		
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3
Home	0%	22%	22%	17%	16%	14%	(3)%	(17)%
Electronics	(4)%	25%	(6)%	(17)%	(6)%	16%	(23)%	(13)%
Apparel	(9)%	(12)%	(7)%	(10)%	(9)%	(3)%	19%	8%
Beauty	(1)%	2%	(2)%	(10)%	(3)%	(1)%	(10)%	(6)%
Accessories	(4)%	(1)%	10%	6%	3%	12%	11%	(4)%
Jewelry	(13)%	(11)%	(5)%	(9)%	(10)%	0%	(7)%	2%
Total	(4)%	7%	7%	1%	3%	8%	(1)%	(8)%

Notable Brands



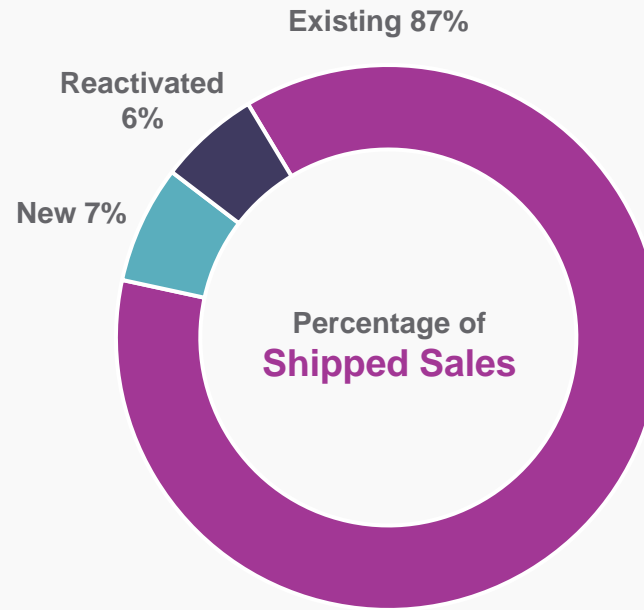
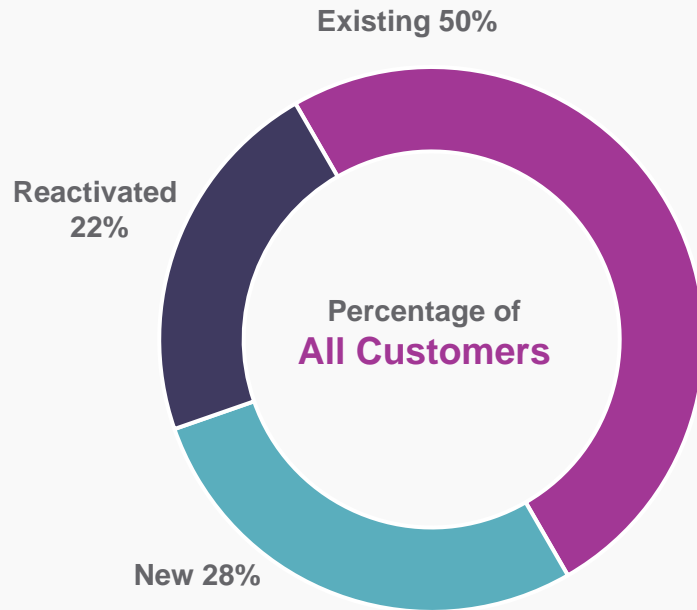
QxH Category Mix Shift to Apparel



Fashion Categories: Apparel, Beauty, Accessories and Jewelry
 Home Categories: Home and Electronics

QxH Customer Profile

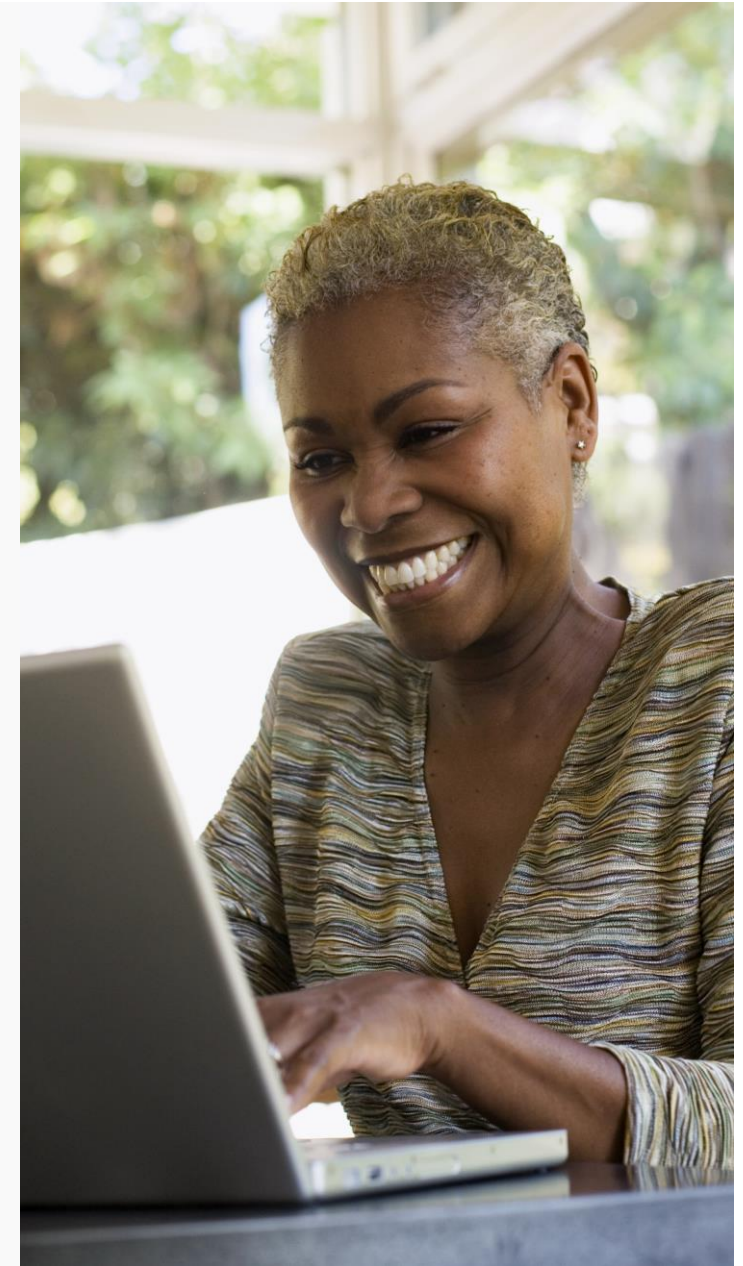
Trailing Twelve Months
Ended September 30, 2021



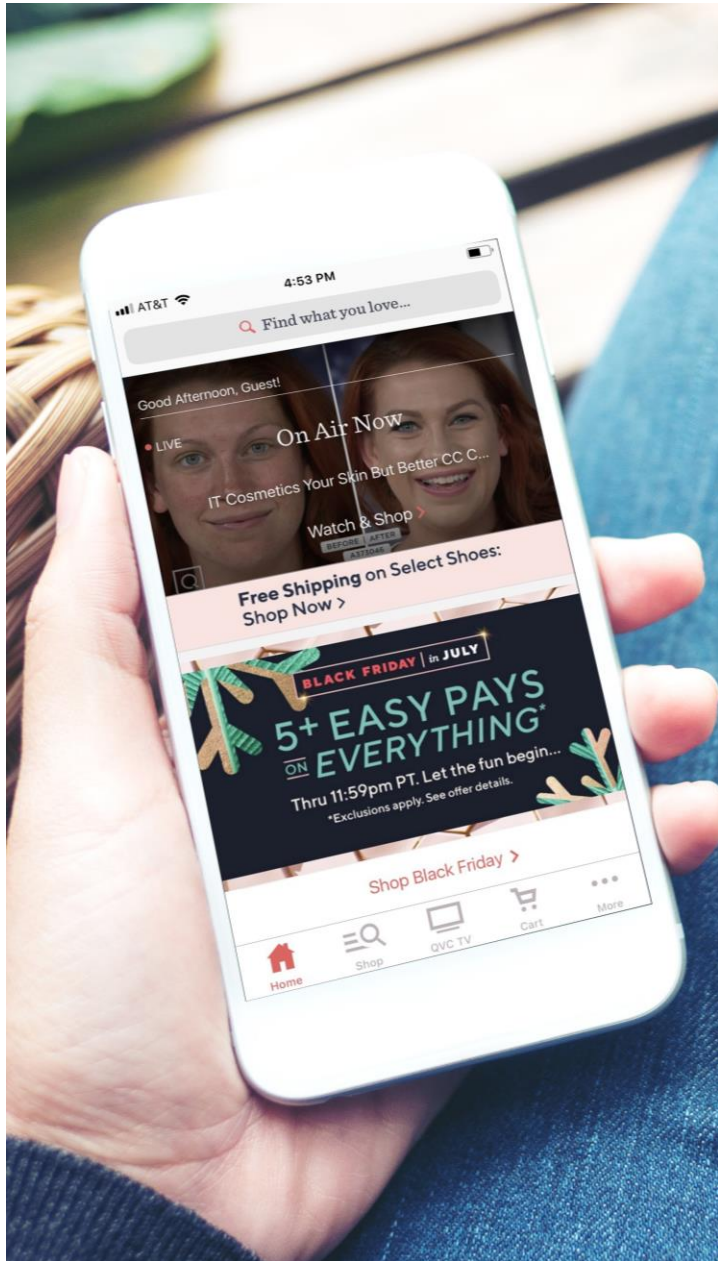
Existing Customers

Annual Purchases: **27** Items purchased

\$1.4K Spend



New: Never purchased previously
Reactivated: Purchased in past, but not in last 12 months
Existing: Made a purchase in two consecutive 12-month periods



QxH Customer Growth

Customer Count Year-on-Year Comparative

	Q3 2021			LTM September 2021		
	Count	vs 2020	vs 2019	Count	vs 2020	vs 2019
'000s						
New	446	(33%)	(15)%	3,114	(6)%	+10%
Reactivated	475	(19%)	(7)%	2,399	(5)%	+2%
Existing	3,632	(9%)	(4)%	5,617	+3%	+2%
Total	4,553	(13%)	(6)%	11,130	(1)%	+4%

- New:** Never purchased previously
- Reactivated:** Purchased in past, but not in last 12 months
- Existing:** Made a purchase in two consecutive 12-month periods

QxH Adjusted OIBDA Margin

Basis Point Change Year Over Year

		Fiscal 2021			Q3 Trend Driver	
		Q1	Q2	Q3		
Prior Year		16.4%	19.3%	19.2%		
Gross Margin	Product Margin ¹	50	60	(40)	▲ ▼	Private Label Credit Card Income Favorable Returns Lower SH Revenue (Unit Volume) Increased Promotional Activity
Gross Margin	Fulfillment ²	(55)	(145)	(130)	▼	Cost Inflation (Freight Rates and Surcharges Labor Rates) Decommission Fulfillment Sites
Gross Margin	Obsolescence	(15)	115	105	▲	Provision Adjustment
Operating Expense	Commissions	15	(15)	(10)	▼	Growth in On-Air Sales
SGA	Marketing	(80)	(95)	(75)		
SGA	Bad Debt	140	100	(20)	▲ ▼	Lower Default Rates Credit Screening Increased Installment Counts
SGA	Administrative Costs ³	90	35	80	▲ ▼	Incentive Compensation Fixed Cost Deleverage
	Other ⁴	15	(15)	(40)	▼	Credit Card Fees Customer Service (Labor Rates)
Current Year		18.0%	19.7%	17.9%		
	Δ vs. LY	160	40	(130)		

Note: All figures rounded to the nearest 5 bps

¹ Includes Net Revenue less Product Cost of Goods Sold (including shipping & handling revenue, private label card income, returns, royalties, and liquidation costs)

² Includes owned facilities warehouse and freight, Manpower and Non-Manpower expenses, and drop-ship

³ Includes other Manpower and Non-Manpower expenses (including bonus accrual, outside services, legal settlements, severance, remote work allowances, COVID-related costs, and travel & entertainment)

⁴ Includes other items not included in above categories

Qurate Retail, Inc. Free Cash Flow

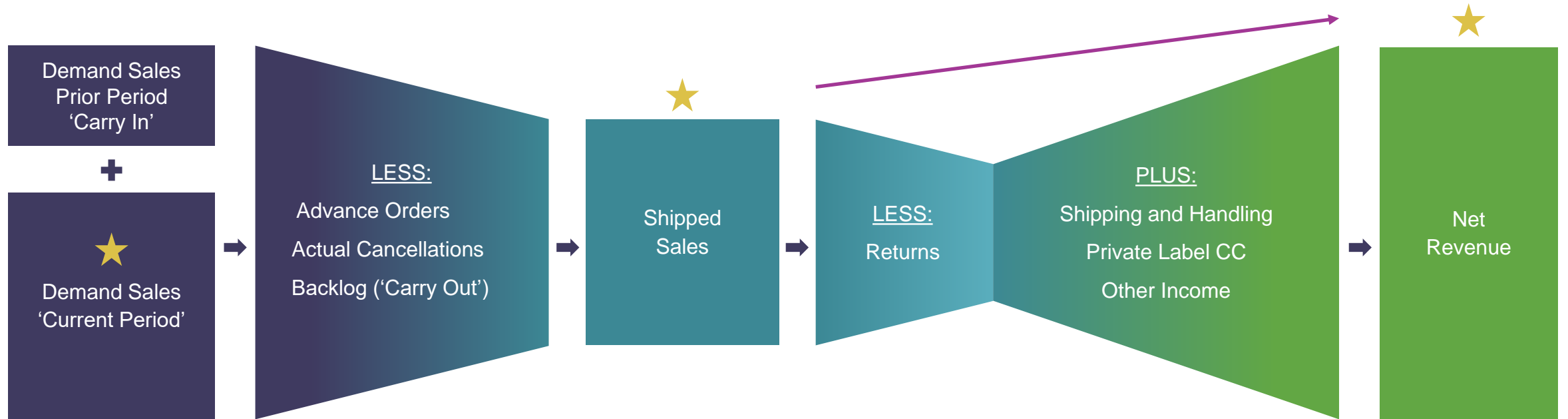
US\$ Millions

	Nine Months Ended September 30	
	2020	2021
Net Cash Provided by Operating Activities	1,855	715
Less: Capital Expenditures	(165)	(169)
Less: Expenditures for Television Distribution Rights	(41)	(184)
Less: Investments in Green Energy ¹	(88)	(98)
Less: Dividends Paid to Non-controlling Interest	(46)	(46)
Free Cash Flow	1,515	218

¹Included within investments in and loans to cost and equity investees

Appendix

The Journey: Demand Sales to Net Revenue



*Demand sales represent customer orders (including advance orders) less 'projected cancellations'

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RETAIL, INC.

 QVC |  HSN | *zulily* | BALLARD DESIGNS | FRONTGATE | Garnet Hill | **grandinroad.**